

Agribusiness Development Initiative

Reducing Poverty by Expanding Investments

The U.S. Government's Millennium Challenge Corporation (MCC), a development assistance agency, partners with select countries worldwide to reduce poverty through economic growth. Investing in agricultural productivity and related infrastructure is a major priority of these country-led partnerships, inspiring MCC to launch an innovative Agribusiness Development Initiative.

The thinking behind the Agribusiness Development Initiative is simple: MCC can better sustain the impact of its investments in partner countries to fight poverty and promote economic growth if those investments are linked to the private sector. Investment promotion and facilitation efforts will target private businesses complementary to value-chains associated within MCC's compacts. Potential business opportunities include:

- ★ product sourcing,
- ★ processing,
- ★ value chain inputs,
- ★ technological innovation,
- ★ marketing,
- ★ support services (financial, equipment, IT), and
- ★ commercial infrastructure investments.

The Agribusiness Development Initiative entails attracting private investment complementary to MCC compacts to provide win-win solutions that add value within targeted economic sectors. MCC will leverage and advance the sustainability of its compact investment by targeting concrete business opportunities within countries and “match making” potential private sector investors with MCC compact implementers and local businesses.

The Agribusiness Development Initiative will launch its first pilot activities in two MCC partner countries, Ghana and Morocco. These partners were selected to participate in the pilot because their respective compact programs target value-chains that represent a scale and commercial quality that businesses consider attractive.

The Agribusiness Development Initiative aims to build on existing compact investments, growth strategies, and in-country institutions in both Ghana and Morocco. An important step in this effort is developing and publishing Business Opportunity Memoranda that summarize the investment opportunities, the demand for products or services, and the enabling environment, as well as provide points of contact.

This pilot, scheduled to be carried out and evaluated over an 18-month period (ending June 2011), will test and document tools and approaches aimed at facilitating private investment supportive of MCC compact objectives. With proven investment successes, the Agribusiness Development Initiative is projected to expand to all MCC partner countries currently implementing compacts, as well as to sectors beyond agriculture. The Agribusiness Development Initiative is expected to serve as a model for effectively engaging the private sector in generating the growth necessary for its own profitability while, at the same time, improving the quality of life for the world's poor in meaningful and sustainable ways.

To learn more, visit www.mcc.gov or contact Team Lead: Gautam Ramnath at RamnathG@mcc.gov.